

## AGENCY FRANCHISE AGREEMENT

### SECTION ONE CREATION OF AGENCY

The Montana Department of Revenue, Liquor Control Division, ("Department") appoints **LL Liquor Inc., 11300 U.S. Highway 93 South, Lolo, Montana** ("Agent") to operate and maintain an agency liquor store under the terms and conditions prescribed by this Agency Franchise Agreement ("Agreement") and by the Montana Alcoholic Beverage Code. The agency liquor store operated by **Josh and Leigh Paffhausen**, to be known as Montana Agency Liquor Store No. **192**, shall be located at **Lolo, Montana**. This Agreement is an agency franchise agreement, as defined in the Montana Alcoholic Beverage Code, for the operation by Agent of an agency liquor store. All provisions of the Montana Alcoholic Beverage Code applicable to agency franchise agreements or agency liquor stores are hereby incorporated by this reference and made part of this Agreement.

### SECTION TWO AGENCY FRANCHISE AGREEMENT

Agent acknowledges and agrees that the term of this Agreement is from the effective date for a period of ten years. The effective date is **March 1, 2013**.

[Reference: 16-2-101(5) (a), MCA.]

This Agreement must be renewed every ten years if the requirements of this Agreement have been satisfactorily performed. Subsequent changes to the law by the legislature may require terms to change in future renewals of the agreement.

[Reference 16-2-101(5) (a) and (8), MCA.]

During the term of this Agreement, the commission percentage discount rate may be reviewed every three years, as provided by law.

[Reference: 16-2-101(6), MCA].

**SECTION THREE**  
**DEPARTMENT'S DUTIES AND AUTHORITY**

**The Department shall comply with the following:**

1. The Department will ship liquor ordered by the Agent to Agent's place of business by common carrier F.O.B. point of delivery on a freight pre-paid basis;
2. The Department will determine the classes, varieties, and brands of liquor to be available for distribution from the state liquor warehouse;
3. The Department will determine and distribute price lists showing the posted price third-party licensees (Licensees) must pay for each class, variety, or brand of liquor. Licensees are persons licensed by the Department to sell liquor at retail. The posted price described on such price lists shall also be the minimum price at which the Agent may advertise and sell each class, variety, or brand of liquor to non-licensees;
4. The Department will provide or approve forms for use by the Agent to report to the Department the amount of sales to Licensees; and
5. The Department will provide or approve forms for use by the Agent to send to the Department for placing liquor orders.

[Reference: 16-2-101(2) (b), MCA]

**SECTION FOUR**  
**AGENT'S DUTIES AND RESPONSIBILITIES**

**The Agent shall comply with the following:**

1. **Liquor purchases from state liquor warehouse.** Agent will purchase liquor inventory pursuant to the Department's delivery schedule in amounts and varieties needed to meet customer demand. Agent will order liquor on forms and in the manner prescribed by the department.
2. **Availability of liquor for sale at the agency liquor store.**
  - A. In an effort to maintain a quantity and variety of liquor available for sale commensurate with demand, Agent will take into consideration the ordering schedule, the delivery cycle, the repayment schedule, which products are

made available in less than full case lots from the state liquor warehouse, and the ability to order regular listed products and special order products from the state liquor warehouse.

- B. Agent will send purchase orders for liquor to the state liquor warehouse in a manner consistent with the Department's ordering and delivery schedule established for Agent.
- C. Agent will store all liquor purchased from the state liquor warehouse and table wine purchased from a table wine wholesaler on the agency liquor store premises. Liquor and wine cannot be stored at a location other than on the agency liquor store premises.

[Reference: 16-2-101(2)(b), 16-2-101(5)(d), 16-2-101(8)(a)(iii), and 6-2-105, MCA.]

3. **Prompt payment for liquor purchases and state lien on liquor.**

- A. Agent will pay in full for liquor purchased from the state liquor warehouse within 60 days of the invoice date;
- B. Agent acknowledges that the Department has the right to physically recover any of the Agent's inventory for which the agent failed to timely make payment.
- C. Agent acknowledges that the Department has the right to stop delivery of purchases from the state liquor warehouse for any failure to timely make payment.

[Reference: 16-2-101(2)(b)(ii)(C), 16-2-101(5)(c) and 16-2-101(8)(c), MCA.]

4. **Premises.**

- A. Agent will have a legal possessory interest in the premises at **11300 U.S. Highway 93 South, Lolo, Montana** for the term of this agreement. Agent may relocate or alter the premises only upon prior written approval of the Department.
  - (1) Agent will notify the Department of Agent's intent to relocate the agency liquor store at least 60 days before the intended effective date of the relocation. Agent may relocate the agency liquor store to a location that meets or exceeds the premise requirements listed in section four, subsection 4. Agent must receive written approval from the Department before Agent relocates the agency. If the proposed location is smaller than the current location Agent shall justify to the Department's satisfaction the proposed location is suitable and adequate to meet the sales demands of licensed alcoholic beverage retailers and the public in the vicinity of the agency liquor store.
- B. Agent will maintain the premises for the agency liquor store: within the corporate city limits; within an area where local zoning ordinances do not

prohibit the operation of a liquor store; not closer than a 1-mile radius from any other agency liquor store, as measured from the premise of the respective agency liquor stores.

C. Agent will maintain the premises to be accessible for delivery of freight from a 40-foot semi-tractor trailer as permitted by local government requirements. The freight entrance must have direct access to the liquor storage area.

D. Agent will provide space for product storage, a walk-in customer liquor display area, and display shelving. The minimum liquor storage space is 4934 square feet, the minimum walk-in customer liquor display space is 4835 square feet, and the minimum liquor shelving is 460 linear feet.

[Reference: 16-2-101(5)(d), MCA]

E. Agent will maintain the premises in compliance with requirements for zoning, fire, safety, health and building codes.

[Reference: 16-2-101(5)(d), MCA]

F. Agent will provide at least one sign, to be located on the exterior of the premises in a manner that is easily noticed from the street fronting the premises and consistent with any local government requirements.

G. Agent will indicate on the sign that the premises is an Agency Liquor Store or that it is State of Montana Liquor Store.

[Reference: 16-2-101(5)(d), MCA.]

H. Agent will maintain a telephone for the premises, and will maintain a listing under "Liquor Store" in the yellow pages in local telephone directory, or an equivalent internet telephone directory if no published yellow pages directory is available in the community.

[Reference: 16-2-101(5)(d), MCA.]

I. Agent will maintain on- or off- street parking available for customers within 50 feet of the front door of the premises.

[Reference: 16-2-101(5)(d), MCA.]

J. Parking that is provided by Agent must be in accordance with local government requirements.

[Reference: 16-2-101(5)(d), MCA.]

5. **Provision of necessities to operate the agency liquor store.**

A. Agent will provide at the Agent's expense all facilities, inventory, equipment, supplies, services and employees necessary to carry out the duties and responsibilities of operating the agency liquor store. These expenses include, but are not limited to: salaries, payroll and other taxes for the agency liquor store and any employees of the agency liquor store, premises rent or

purchase cost, utilities, sacks for customer purchases, equipment capable of handling freight shipments upon arrival to move merchandise into the premises (e.g. fast-tracks, hand trucks), and licenses and permits required by state and local governments to operate the agency.

Note: Authorization to operate the agency liquor store is given under the agency franchise agreement and there is no additional state permit or license required for this purpose. There may be other permits or licenses required by federal, state or local governments that agencies other than the Department of Revenue require under laws and ordinances other than the alcohol beverage code. Obtaining and paying for those are the responsibility of the Agent. For example, many cities require businesses to obtain a city license to operate. For further information on state and local licensing, contact the Montana Department of Commerce, 406-841-2700 or <http://commerce.mt.gov>.

- B. Agent will operate the agency liquor store in a manner that makes the premises sanitary and accessible for the purpose of making purchases of liquor.

[Reference: 16-2-101(5)(d) and 16-2-101(8)(a)(iv), MCA.]

6. **Hours and days of liquor and table wine sales.**

- A. Agent will operate the agency liquor store for not less than six hours per day within the limits specified below.
- B. Except as provided below, Agent must be closed for business from 12 a.m. Sunday until 8 a.m. on Tuesday, from 2 a.m. to 8 a.m. on Wednesday, Thursday, Friday and Saturday, and on any state legal holiday.
- C. Agent may be open for liquor and table wine sales from 8 a.m. on Monday until 2 a.m. on Tuesday (except during weeks in which the Monday is a state legal holiday) if 51% of the all-beverages licensees in the immediate market area, as defined by section 16-2-104, MCA, sign a petition on a form prescribed by the Department.

[Reference: 16-2-104 and 16-2-105, MCA.]

7. **Sales to licensees and others.**

- A. The Agent will purchase all liquor it acquires from the state liquor warehouse.
- B. Agent will sell liquor to all-beverages licensees at the Department's posted price or at the full case discount price. All current regular listed products sold to all-beverages licensees must be sold at the full case discount price. Products not currently listed as regular listed products (example: special order

products, holiday products, promotional products) are not eligible for a case lot discount.

- C. Agent will sell liquor to all customers who are legally qualified to purchase liquor, at any retail price established by the Agent, but not less than the Department's posted price.

[Reference: 16-2-201, MCA.]

- 8. **Sales to persons under the age of 21 and intoxicated persons.** Agent will not directly or indirectly sell, give, or otherwise supply or allow to be sold, given, or supplied an alcoholic beverage to any person under the age of 21 or any person actually, apparently, or obviously intoxicated.

[Reference: 16-3-301, 16-6-304 and 16-6-305, MCA.]

- 9. **Sale of table wine.** Table wine may be sold by Agent to licensees and to the public for off-premises consumption without a retail off-premises wine license. All table wine acquired by Agent must be purchased from a Montana licensed table wine distributor.

[Reference: 16-2-101(2)(c) and 16-3-403 and 16-2-203, MCA.]

- 10. **Payment for sales made by Agent and delivery.**

- A. Agent will not sell or allow to be sold any liquor or table wine except for payment in full at the time of purchase or delivery. Payment in full may, at the Agent's discretion, include payment by cash, check, electronic funds transfer, credit card or bank debit card.
- B. Agent will require a customer to make payment in full upon delivery, either on the agency liquor store premises or off the premises, at the location where the liquor or table wine is delivered to the customer by the Agent or a representative of the Agent.

[Reference: 16-2-105, 16-2-106, 16-2-203, MCA.]

- 11. **Monthly report of sales to licensees.** Agent will report by the 5th business day following the end of the previous month, on a form provided or approved by the Department:

- A. the total dollar amount of full-case sales and individual bottle (or other package) sales before any allowable full case discounts;
- B. the full case discount; and
- C. the total sales after any allowable full case discount to each all-beverages licensee.

[Reference: 16-2-103, MCA.]

12. **Comprehensive general liability and liquor liability insurance.**

- A. Agent will maintain comprehensive general liability insurance (occurrence coverage) and liquor liability insurance from an insurer licensed to do business in Montana or a domiciliary state with an "A. M. Best" rating of no less than "A". The policy will provide the following at a minimum:
- (1) comprehensive general liability insurance combined single limits for personal injury and property damage of \$1,000,000 per occurrence and an aggregate single limit of \$2,000,000 per year, or the amounts established by the Department of Administration, whichever is higher;
  - (2) liquor liability insurance with minimum limits to an aggregate of \$1,000,000 per year, or the amount established by the Department of Administration, whichever is higher;
  - (3) the State of Montana shall be named as an "additional insured" for liability arising out of activities performed by or on behalf of the Agent, including the state's general supervision of the Agent, products and completed operations of the Agent, premises owned, occupied, or used by the Agent; and
  - (4) the Agent's insurance coverage shall be primary with respect to the state, its officers, officials, employees, and volunteers and any insurance or self-insurance maintained by the state, its officers, officials, and employees shall be excess of the Agent's insurance and shall not contribute to it.
- B. Agent will hold the State of Montana harmless and defend and indemnify the State of Montana in any cause of action arising from or in connection with the Agent's negligent acts or activities in the execution and performance of this Agreement.
- C. Agent will maintain at the Agent's own cost and expense, insurance in the amounts indicated above and give the Department 30 days written notice of any material change in coverage, including expiration of insurance coverage.
- D. Agent will provide all certificates of insurance and endorsements. The department reserves the right to require complete, certified copies of all required insurance policies at any time.
- E. Agent understands the liability insurance requirement may be reviewed every 3 years at the request of either the Agent or the Department. If the Agent concurs, the Department may adjust the requirements to be effective during the remaining term of Agreement if the adjustments adequately protect the state from risks associated with the Agent's negligent acts or activities in the execution and performance of this Agreement. The amount of liability insurance coverage may not be less than the minimum requirements set by the Department of Administration.

[Reference: 16-2-101(5)(b) and 16-2-101(7), MCA.]

- F. Agent will provide and maintain workers' compensation insurance as required by the State of Montana and will at all times comply with applicable workers' compensation, occupational disease, and occupational health and safety laws, statutes, and regulations.

13. **State held harmless and indemnified.**

- A. Agent will be financially responsible (liable) for any financial loss to the State of Montana which occurs due to Agent's negligence, intentional acts, or failure, for any reason, to comply with the terms of this Agreement. Agent's liability under this provision extends to the acts or omissions of Agent's employees, subcontractors, or representatives, who must all comply with the terms of applicable laws and this Agreement.
- B. Agent will protect, defend and save the state, its elected and appointed officials, other agents and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands and causes of action of any kind or character, including the cost of defense thereof, arising in favor of the Agent's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of the Agent and/or its employees, subcontractors, or representatives under this Agreement

[Reference: 16-2-101(5)(b)(ii), MCA.]

14. **Freight deliveries.** All deliveries of liquor orders to Agent's premises must be received at the premises on the schedule the Department establishes. The process of receiving liquor order deliveries includes checking the delivery against the invoice that accompanies the shipment and noting any errors or breakage on the freight carrier's bill of lading before signing the freight bill. Agent is required to take receipt of the entire shipment onto Agent's premises, including improperly shipped and broken items. Agent must contact the designated Department representative about improperly shipped items and breakage so that the Department representative can arrange for a return of the item(s) and make adjustments to records and the invoice.

Agent will not unreasonably detain the carrier's driver in order to check the order in such detail that it would inconvenience both the Agent and the carrier. The Agent may limit thoroughness while the driver is present to making sure the total number of cases received matches the number of cases listed on the bill of lading and noting only damaged and improperly shipped items that are obvious and easily observed. Opening cases to check each case received against the invoice while the carrier's driver is present is not required unless the number of cases received is different than the number listed on the bill of lading. If there is a difference, then the Agent must check the cases received against the cases



shipped according to the invoice to determine which product(s) was over or short. Any discrepancies in the number of cases or obvious breakage must be must be noted on the bill of lading and signed by the truck driver. The Agent must notify the Department representative within 48 hours of the incident. The Agent must report all other defective merchandise to the Department on a monthly basis.

While the Department's delivery schedule is firm, there may be circumstances that warrant emergency shipments from the warehouse to the Agent. Arrangements for emergency shipments must be made through a Department representative. The circumstances that qualify as emergencies are limited to those that the Department representative determines were clearly beyond the Agent's ability to control. In such instances, the Department representative will arrange for a special shipment. Agents are not allowed to come to the state liquor warehouse to pick up liquor inventory unless such pick up is approved and arranged by a Department representative.

15. **Open containers and consumption on the agency liquor store premises is prohibited.** Agent will not allow any alcoholic beverage container to be open or any alcoholic beverage to be consumed on the Agent's premises. Sampling and tasting of any alcoholic beverages are not allowed on the Agent's premises. Product which is defective, meaning it is received at the agency liquor store with a broken or missing cap or returned by a customer because of bad taste, bad color, or sediment shall be allowed on the premises, but shall not be consumed on the premises.

[Reference: 16-2-107, MCA.]

16. **Access to books and records.** Agent will open the agency liquor store and books and records of Agent's business at all reasonable times to inspection and audit by representatives of the Department, the Department of Administration, the Department of Justice, the legislative fiscal analyst, and the legislative auditor, or their authorized Agents, and will create and maintain all records supporting the service rendered or goods delivered. Such records shall be maintained for a period of three years after the termination of this Agreement, or, if longer, until the conclusion of any claim, litigation or exception relating to this Agreement or the operation of Agent's business taken by the State of Montana or a third party.

[Reference: 16-2-103 and 16-1-303(2)(h), MCA]

17. **Solicitation and advertising.** Agent may canvass for, receive, take, or solicit orders for the purchase or sale of liquor and may exhibit, publish, or display any form of advertisement, announcement, publication, or price list concerning liquor or table wine that the Agent is authorized to sell in the manner permitted under this Agreement.

[Reference: 16-3-103, MCA.]

18. **Compliance with local, state and federal laws.** Agent will comply with all applicable local, state and federal law, including the Montana Alcoholic Beverage Code and the Administrative Rules thereunder. It is the Agent's responsibility to be aware of laws that affect Agent's operation and to comply with the requirements of the law. Any violation of the Montana Alcoholic Beverage Code or other laws related to Agent's operation of the agency liquor store, whether such violation be by Agent or by Agent's employees or representatives, constitutes a breach of this Agreement and may be cause for termination of this Agreement.
19. **Assignment of agreement.** Agent will notify the Department of intent to assign this Agreement at least 60 days before the intended effective date of the assignment. Agent may assign the Agreement to a person who, upon approval of the Department, will assume the rights, privileges and responsibilities of the Agent for the remaining term of this Agreement. The Department may not unreasonably withhold approval of the assignment request. Agent must continue to act in its capacity as agent under this Agreement and must remain in control of the agency liquor store until the assignment is approved by the Department.  
[Reference: 16-2-101(10), MCA.]
20. **Sale of beer prohibited.** Agent is prohibited from obtaining a license to sell beer at the agency premises. This agreement does not authorize the sale of beer on the agency premises.  
[Reference 16-4-401, MCA.]
21. **Employment of minors.** Agent will not permit any person under the age of 18 years to perform any of the Agent's duties and responsibilities associated with liquor or table wine sales.  
Note: While a minor is not allowed to participate in the sale of alcoholic beverages, a minor may stock shelves and perform other similar duties.  
[Reference: 39-2-306, MCA.]
22. **Solicitation.** Agent will not solicit or receive directly or indirectly, or allow an employee to solicit or receive, any commission, remuneration, gift, or other thing tangible or intangible of value from any person or corporation selling or offering liquor for sale to the state.  
[Reference: 16-1-304(2), MCA.]

23. **Alcoholic Beverage License and Agency Liquor Store Ownership Restriction.** The Agent cannot have any affiliation with or any financial interest in any other business licensed or under contract for the sale of alcoholic beverages, or in any manufacturer, bottler, importer, wholesaler or distributor of alcoholic beverages. Neither the Agent nor any member of the Agent's immediate family may have any such affiliation or financial interest. For purposes of this provision, an affiliation or financial interest held by an individual in an entity such as a corporation, partnership, or Limited Liability Company, is considered to be held by the individuals holding such affiliations or financial interests. Affiliations or financial interests of an individual's immediate family (as defined in section 16-1-106, MCA) are attributed to the individual.

Note: If a corporation is publicly held and is traded on a national stock exchange, this restriction applies to any shareholder owning 10% or more of the outstanding stock.

[Reference: 16-4-401MCA.]

24. **Agency Liquor Store Ownership Restriction.** Neither Agent nor any entity under common ownership or control with Agent may have any ownership interest in an additional agency liquor store.

[Reference: 16-2-101(11)]

## SECTION FIVE

### AGENT'S DISCOUNT RATES

1. **Commission Percentage Discount Rate.** Agent receives the commission percentage discount rate through a price reduction on the posted price of all liquor that the Agent purchases from the state liquor warehouse. The posted price is the price per bottle of liquor fixed by the Department and is the price all agents throughout the state must use for selling liquor to all-beverages licensees and is the minimum retail price for sale to customers other than all-beverages licensees. The purchase price reduction is equal to the commission rate. The **Agent agrees 11.400% is the commission percentage discount rate for the agency liquor store.** Agent's commission percentage discount rate may be reviewed and adjusted in accordance with Montana law.

[Reference: 16-2-101, MCA]

2. **Weighted Average Discount Percentage Rate.** Agent receives the weighted average discount percentage rate on all purchases from the state liquor warehouse in addition to the specified commission percentage discount rate. This additional price reduction is for the purpose of offsetting the cost that Agent will incur for providing an 8% discount on the posted price of regular listed liquor

to any all-beverages licensees purchasing liquor in unbroken case lots. The 8% discount for full-case purchases of regular listed products by all beverages licensees is required by law. An 8% case lot discount will not be given on a case of a product that is classified by the Department as a special order product. The weighted average discount percentage is applied to all purchases the Agent makes from the state liquor warehouse whether or not the liquor is ultimately sold to licensees at the full-case discount. For example, an agent with a 10% commission percentage discount rate and a 1.67% weighted average discount percentage rate will purchase a 12-bottle case of liquor that sells at a state posted price of \$10 per bottle for \$106 (\$120-\$12-\$2). **The weighted average discount percentage rate for this Agent is 3.869%.**

[Reference: 16-2-101(2)(b)(ii)(B)]

3. **Volume of Sales Discount Rate.** In addition, Agent will receive a volume of sales discount rate which varies depending upon the Agent's fiscal year annual volume of sales based on their invoice. The Department shall, by April 1, of each year, determine the Agent's sales volumes, in dollars, by using an inflation factor based on the change in the cost of liquor to Agent during the prior calendar year. **The sales volume discount for this Agent is .875%.** Agent will receive any applicable change in the Volume of Sales Discount Rate on July 1 of each year.

[Reference: 16-2-101(4)]

## SECTION SIX PERSONAL GUARANTEE

**Personal Guarantee of Purchases.** Agent and any person or entity that owns or controls Agent must sign a personal guarantee form guaranteeing payment for the purchase of liquor from the Department, and the form must be notarized. (photocopies of the seal are not acceptable) If the Agent is an individual or a partnership (i.e. not a corporation, limited liability company or limited liability partnership) Agent hereby acknowledges that Agent personally guarantees payment for the purchase of liquor from the Department by virtue of entering this Agreement with the Department.

## SECTION SEVEN AGENCY RELATIONSHIP

Agent is an independent contractor. The State of Montana is not Agent's employer and, except for the rights reserved to the State under this Agreement or as required by law, does not control the means and methods Agent uses to accomplish Agent's business. Agent and Agent's employees are not entitled to any of the rights, benefits, or privileges

accorded to employees of the State of Montana including, without limiting the generality of such rights: benefits or privileges, worker's compensation insurance coverage provided by the State of Montana and participation in any State of Montana pension or retirement benefits.

## **SECTION EIGHT**

### **NOTICES**

Any notice, including notice of a change of address, required to be given under this Agreement must be in writing. The parties agree to provide each other timely notice of any upcoming change in contact information.

The Agent's address for purpose of receiving notice is:

**LL Liquor, Inc.**

**PO Box 52**

**Missoula, MT 59806**

The Department's address for purpose of receiving notice is:

**Montana Department of Revenue**

**Liquor Control Division**

**PO Box 1712**

**Helena, MT 59624**

## **SECTION NINE**

### **TERMINATION OF AGREEMENT**

Agent acknowledges and agrees:

1. The Department may terminate this Agreement if Agent has not satisfactorily performed the requirements of this Agreement, or has violated the provisions of the Montana Alcoholic Beverage Code or other law applicable to the operation of an agency liquor store.  
[Reference: 16-2-101(8), MCA.]
2. The Department shall give an agent 30 days' notice of its intent to terminate the agency franchise agreement for cause and specify the unmet requirements. The

Agent may contest the termination and request a hearing within 30 days of the date of notice. If a hearing is requested, the department shall suspend its termination order until after a final decision has been made pursuant to the Montana Administrative Procedure Act.

[Reference: 16-2-101(8)(b), MCA.]

3. The Department and the Agent may mutually agree to terminate this Agreement.

[Reference: 16-2-101(9), MCA.]

## **SECTION TEN**

### **VENUE AND APPLICABLE LAW**

In the event of litigation concerning this Agreement, venue shall be in the First Judicial District, Lewis & Clark County. This Agreement shall be interpreted in accordance with the laws of Montana.

## **SECTION ELEVEN**

### **MODIFICATION, MERGER, AND DEFINITIONS**

1. The parties agree that the Department may amend or modify this Agreement to conform to changes in state or federal laws, or rules or policies of the Department in accordance with Administrative Rules Procedures.
2. This Agreement contains the entire Agreement between the parties, and no statements, promises, or inducements made by either party, which are not contained in this written Agreement, shall be valid or binding. This Agreement shall not be enlarged, modified or altered except in writing signed by all parties, except that any change required by a change in Montana law shall be effective immediately upon the effective date of such change in law, notwithstanding the failure of a party to agree in writing to such change; the parties however, shall make reasonable efforts to promptly reduce to writing the specific changes to the provisions of this Agreement that may be required by such change in law.
3. Any term that is not defined in this Agreement, but for which a definition is provided in the Montana Alcoholic Beverage Code, shall have the meaning provided in the Montana Alcoholic Beverage Code.

**IN WITNESS THEREOF**, the Agent and the Department have entered into and executed this Agreement.

**MONTANA DEPARTMENT OF REVENUE:**

Mark Kador 9.11.14

Director Date

Montana Department of Revenue

**APPROVED FOR LEGAL CONTENT:**

[Signature] 9/9/14

Chief Legal Counsel Date

Montana Department of Revenue

**AGENT:**

LL Liquor, Inc. 46-4263000

(Agent name) SSN/FEIN

John D. Johnson / President 8/21/14

Signature/Title Date

Tygh Rapp / Secretary 8/21/14

Signature/Title Date

State of Montana)

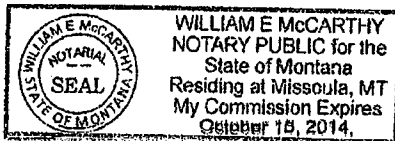
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County of Missoula)

On this 21<sup>st</sup> day of August, 2014, before me a Notary Public for the State of Montana, personally appeared Josh Patterson Leigh Patterson, known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that s/he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate above written.

(SEAL)



[Signature]  
Notary Public for the  
State of Montana

William E. McCarthy  
Printed Name  
Residing at Missoula, MT  
Commission Expires: 10-15-2014